ENVIRONMENTAL REVIEW PROCESS

LINKAGES TO

U.S.DEVELOPMENT ASSISTANCE OVER THE NEXT DECADE

by

Carl M. Gallegos
Bureau Environmental Coordinator
AFR/SD/PSGE

Introduction

The environmental review process that is being implemented in the Africa Region directly addresses three of the four principles that have been put forth to guide USAID programming in Africa over the next decade:

- o Africa's success depends on Africans themselves
- o Strategic coordination is essential
- o Crisis prevention is essential.

Since sound environmental management forms the basis for sustainable economic development, the environmental review process and the guidance this provides for environmental management also addresses the fourth principle which notes that "economic growth is imperative".

There are concrete examples of how the Africa Bureau environmental review process is leading to the achievement of the principles put forth to guide USAID/Africa programming:

o The "Environmental Assessment (EA) in Africa" Workshop held in Urban, South Africa during June, 1995, focused on environmental review needs in Africa, and it resulted in valuable duscussions regarding the need to adopt environmental policies and procedures, as well as the salient issues centering on institutional capacity building and the desire of Africans to assume more ownership of environmental review and the EA process. As a follow-up to this, a Capacity Building for Environmental Assessment in Sub-Saharan Africa (CEASSA) meeting involving donor organizations and representatives from African countries was convened in October, 1997, for the purpose of furthering EA capacity building in Africa, and to demonstrate the linkage of these activities to sustainable economic development to upper level management of organizations involved in develpment assistance.

- o National Environmental Action Plans (NEAPs) that have been conducted in more than 30 African countries, which have led to the establishment of environmental priorities and programs, formulation and implementation of policies, and investments in the management of natural resources and related areas.
- o Environmental capacity (ENCAP) training courses conducted by Africa Bureau and the Missions in nine African countries, that are aimed at increasing environmetal review capacity and compliance with USG regulations by partners and customers implementing USAID programs and projects in Africa. Other donor organizations including the World Bank, the African Development Bank, Holland and Canada have also developed similar training programs.

Role of the Environmental Review Process

African countries, like nations worldwide, are striving to develop in ways that are sustainable. This requires that they understand how programs and projects will affect their resources and environment, and that plans for programs and cojects account for environmental impacts. Without this information, donors and assistance recipient countries in Africa risk investing large sums of money without fully knowing what their investment is buying. They risk developing and depleting their resources without considering the value of what they give up or the full costs and ramifications of projects and programs that are implemented. The environmental review process is a systematic method to provide the information needed in this decision-making process.

For USAID programs and projects, the environmental review process includes an Initial Environemtal Examination (IEE) and, as needed, an Environmental Assessments (EA). USAID programs and projects are intended to promote development and social progress in recipient countries. All projects and programs which affect resources, including those financed by USAID, can have significant impacts on the environment. It is important that USAID recognizes that the total of these impacts must be kept within sustainable limits if development is to be viable in the long-term. Environmental management and economic development must be integrated, or neither process will succeed. The environemtnal review process provides the critical information needed to plan such economic development and to sustainable manage natural resources.

Guidance provided in Regulation (22 CFR 216) and the ADS, Chapter 214 forms the basis for the environmental review process and sound environmental design of programs and projects in USAID and the Africa Bureau. Mission Environmental Officers (MEOs) and Regional Environmental Officers (REOs) are the individuals designated to implement these Agency regulations and to assure that programs and policies developed by the Missions follow sound environmental principles. Given the increasing importance of environmetal considerations in the program and project design process, it is essential that Missions give high priority to the assignment and support to individuals that occupy these positions.

To promote environmentally sustainable development, today's project-level and program-level environmental review approach needs to be extended 'upstream' in economic development work, into several non-traditional areas. Within the World Bank, there has been an increasing integration of environmental concerns and components in operations with a variety of other primary objectives - in short a "greening" of the Bank's portfolio as a whole. Similarly, the USAID Environmental Procedures given in ADS, Chapter 204, provides policy and environmental procedures about how to apply Regulation 22 CFR 216 to the new USAID assistance process in order to assure that assessments of the environmental consequences of all programs, activities, and substantive amendments thereto, are in full accord with this regulation. This process recognizes that environmental sustainability is integral to USAID overall goal.

In extending the environemtal review process upstream, several key points need to be kept in mind:

- Environmental review (ER) is a planning tool.
- To achieve sustainable development, we need to think about how we use resources in the aggregate.
- Successful ER involves communities and interested or affected parties throughout the process.
- True change in how resources are used cannot be dictated, and it must involve both local cummunities as well as enlightened decsion makers.

History

The conventional starting point for the environmental review and EA of individual projects was the US National Environmental Policy Act (NEPA). Initially the NEPA applied to activities within the U.S., but since 1975, environmental reviews have been required all overseas projects. The environmental review process has evolved within USAID from a mere statement in a project paper to a process that addresses potential environmental impacts of

all USAID activities, as well as the monitoring and mitigation requirements of all Agency activities. Presently the environmental procedures specified in ADS, 204, ensure that all programs and activities of USAID are in fulll compliance with the requirements of Regulation 216.

Several bilateral and multilateral organizations have followed suit, and a number of these organizations have adopted formal ER and EA procedures and requirements for the programs and projects they finance. These include the World Bank, African Development Bank, UNEP, EEC, FAO, Canada, New Zealand, Australia, the Netherlands, the United Kingdom, etc.

The record for developing countries has been less impressive than for industrial countries because financial and human resource constraints hamper adoption of ER and EA processes. Bilateral and multilateral agencies have started to encourage ER and EA further upstream in planning for developing countries.

Building Environmental Review Capabilities within African Countries

In the past, the role of development projects was mainly to remove strategic bottlenecks - such as the lack of basic infrastructure - and creating the basis for economic growth. However, as the often associated negative environmental impacts and social impacts became better understood, measures were formulated and implemented to identify and mitigate them.

The environmental review process has been one of the most effective measures applied to improved development assistance programs. And now many development institutions and developing countries in Africa have introduced ER and EA requirements and regulations into their development activity.

The "Environmental Assessment (EA) in Africa" Workshop held in Durban, South Africa during June, 1995, resulted in valuable duscussions regarding salient issues centering on institutional capacity building and the desire of Africans to assume more ownership of the ER and EA process. More significantly, the "African High-Level Ministerial Meeting on Environmental Assessment" which took place during the Durban meeting gave high priority to a) "using EIA as a continuous planning tool", and b) "sensitizing policy and decision-makers in government and private sector to the importance of integrating EIA in development planning". Other topics drawing attention included harmonization of donor/government procedures and public participation. The nature of these discussions are summarized as follows:

- o Capacity building is a long-term process, but many African countries still lack ER and EA requirements and the capacity to conduct ERs and EAs, Thereby placing major constraints on effective EA implementation.
- o Coordination among bilateral and multilateral institutions, as well as international NGOs involved in capacity building efforts, is crucial and can produce significant cost savings.
- o Effective consultation with locally-affected people can play a key role in identifying and assessing environmental impacts, comparing alternatives, and designing appropriate mitigation measures, and building local ownership and particiapation in the development process.

Capacity Building Efforts

Numerous ER and EA training efforts have been initiated by the donors as a result of the Durban Workshop including:

- O The World Bank/IUCN and CEASSA programs
- O The African Development Bank training program for all AfDB Officers, as well as people implementing AfDB, projects.
- O USAID
 - Environmental Capacity (ENCAP) training courses in 9 African countries
 - Environmental Infomation Training for PL 480 Title II NGOs and PVOs

Recommended Actions

Several concrete actions are recommended to extend the environmental review process "upstream" in economic development work and other non-traditional areas, in order to assure that sound environmental management principles are incorporated into the design of all USAID/Africa programs:

o Missions should appoint individuals with adequate backgrounds in environmental and natural resuorces management to be Mission Environmental Officers (MEOs) or Regional Environmental Officers (REOs), and these people should be given training to assure adequate familiarity with USAID environmental review procedures. These MEOs and/or REOs should be made members of all Mission SO teams, and they should be empowered by the Mission to ensure that all

programs and projects fulfill Agency environmental review requirements.

- o Support should be given through the bilateral and regional Missions to host country governments for them to formulate and implement adequate environmental policies and regulations (or strengthen existing policies and regulations), in order to assure that adequate environmental reviews, as well as monitoring and mitigation procedures, are in place.
- o Collaborative efforts with other donors (e.g., NEAPs CEASSA, etc.) should be strengthened in order to assure adequate investments in environmentally sound projects, and to build capacity within African countries that will enable Africans to develop and implement strong environmental policies and regulations that lead to sustainable economic development activities and programs.

Activities that are specified in the AFR/SD Special Support Objective on Environmental Quality (SSO) and in SO5 (Progress Accelerated in the Development and Spread of Strategically-Viable Natural Resource Management Systems) are designed to facilitate the environmental review process and the development of environmentally sound Programs and projects.

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